GOVERNMENT OF INDIA
HOME AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:859
ANSWERED ON:01.03.2016
Misuse of Foreign Funds
Devi Smt. Rama;Jadhav Shri Prataprao Ganpatrao

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether foreign funds received by Non-Governmental Organisations (NGOs) are being misused due to corruption in the system put in place by the Government for monitoring the receipt and utilization thereof;

(b) if so, the reaction of the Government in this regard;

(c) whether the accounts, ledgers and records of NGOs have been inspected during the last three years;

(d) if so, the number of cases of misuse of the said funds unearthed during the said inspections; and

(e) the action taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS
(SHRI KIREN RIJIJU)

(a) to (e): The monitoring of receipt and utilization of foreign contribution is regulated under the provisions contained in Foreign Contribution (Regulation) Act, 2010 (FCRA, 2010) and Rules made thereunder. As and when, inputs from security agencies or complaint

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from general public are received about the violation of FCRA, 2010, action is initiated against the alleged violators after following due process as prescribed in the Act.

FCRA, 2010 came in to force with effect from 01/05/2011. Since then, notices were issued to around 21,000 associations in 2011 and to 10,343 associations in 2014 for not filing annual returns continuously for three years. Consequently, registration of 4138 associations was cancelled in July 2012 and of 10,117 in March 2015 after issue of Show Cause Notices to such associations and giving them adequate opportunity. After inspections and scrutiny of accounts, for serious violations 17 cases were referred to CBI and 10 to State Police for further investigation and prosecution. Accounts of 23 associations have been frozen. 20 associations have been prohibited from receiving foreign contribution. In 2014, penalty amounting to Rs.5,20,82,031/- has been imposed on 341 associations for late/ non-submission of mandatory annual returns and of Rs. 51,99,526/- on 24 associations for receipt and utilization of foreign contribution without obtaining registration of prior permission under the FCRA.
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